



# The Personnel Structure and Costs in State Government

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# Controller's "Rainbow Report"

## 25,000 State Employees

- CLASSIFIED
  - 12,912
  - Section 67-5303, Idaho Code
  - Subject to Merit Exam, Selection, Retention, Promotion, and Dismissal Requirements
- NON-CLASSIFIED
  - 12,629
  - Section 59-1603, Idaho Code
  - Persons and positions exempted from the classified system. Each non-classified position will be paid a salary comparable to classified positions (conformity stature)



# Budget Book Page 17

## FTP All Funds Summary by Agency

	FY 2018 Actual	FY 2019 Orig App	FY 2020 Request	Chg From FY 2019 Orig	FY 2020 Gov's Rec	Chg From FY 2019
<b>1 Education</b>						
Public School Support						
Agricultural Research & Extension Service	301.44	320.34	348.68	28.34	343.11	22.77
College and Universities	4,558.31	4,680.80	4,756.72	75.92	4,753.54	72.74
Community Colleges						
Education, Office of the State Board of	31.25	34.25	38.25	4.00	35.25	1.00
Health Education Programs	25.80	30.15	40.65	10.50	36.65	6.50
Career Technical Education	582.96	580.26	585.26	5.00	582.26	2.00
Idaho Public Television	65.48	68.48	70.48	2.00	69.48	1.00
Special Programs	43.13	45.59	49.03	3.44	46.59	1.00
Superintendent of Public Instruction	142.00	142.00	143.00	1.00	142.00	
Vocational Rehabilitation	152.50	154.00	154.00		149.00	(5.00)
<b>Total Education</b>	<b>5,902.87</b>	<b>6,055.87</b>	<b>6,186.07</b>	<b>130.20</b>	<b>6,157.88</b>	<b>102.01</b>
<b>Permanent Building Fund</b>						
Attorney General	208.60	210.60	216.10	5.50	215.10	4.50
State Controller	95.00	95.00	95.00		95.00	
Governor, Office of the	761.55	852.92	895.92	43.00	928.92	76.00
Legislative Branch	73.00	73.00	73.00		73.00	
Lieutenant Governor	3.00	3.00	3.00		3.00	
Revenue and Taxation, Department of	460.00	464.00	478.00	14.00	453.00	(11.00)
Secretary of State	29.00	29.00	31.00	2.00	30.00	1.00
State Treasurer	26.00	26.00	26.00		26.00	
<b>Total General Government</b>	<b>1,796.15</b>	<b>1,866.52</b>	<b>1,943.02</b>	<b>76.50</b>	<b>1,949.02</b>	<b>82.50</b>
<b>Statewide Total:</b>	<b>19,305.59</b>	<b>19,599.87</b>	<b>19,940.74</b>	<b>340.87</b>	<b>19,826.80</b>	<b>226.93</b>



# Annual Surveys, Reports, and Recommendations

## Section 67-5309B, Idaho Code

- Division of Human Resources' Compensation Report
  - Annually on December 1<sup>st</sup>
- Governor's Budget Recommendation
  - State-of-the-State Address in January
- Legislative Action
  - Annual Appropriation to Each State Agency in March

**Each shall address, at a minimum, the four components and subsequent funding for each component**

1. Salary Structure Adjustments
2. Specific Occupational Inequities (Pay line Exceptions)
3. Merit Increase
4. Benefit Package



# Budget Book Page 24

## Change in Employee Compensation (CEC) FY 2016 to FY 2020

*Section 67-5309C, Idaho Code, requires the Division of Human Resources (DHR) to conduct salary and benefit surveys within relevant labor markets and submit a recommendation of proposed changes and their estimated costs to the Governor. The Governor then must submit his own recommendations to the Legislature. The Legislature may accept, modify, or reject his recommendations. Failure by the Legislature to act shall constitute approval of the Governor's recommendations.*

### **FY 2020**

The Governor recommends a 3% CEC to be distributed based on merit. The Governor also recommends \$11,020 per eligible FTP for health insurance, which is a decrease of \$630, or 5.4%, from the previous year. If funded at that level, the year-end reserve fund balance is projected to be drawn down to the minimum amount allowed by the state's contract with Blue Cross of Idaho, which is calculated as 10% of the expected premium costs annually (or approximately \$30.9 million). The actuarially recommended year-end reserve balance is \$50.4 million, which is calculated at a 90% confidence level. The Division of Human Resources recommends a 3% salary increase for state employees in its statutorily required report on employee compensation and benefits, as well. DHR also recommends, and the Governor concurs, that the salary structure be shifted upwards by 2% at the minimum, the policy, and the maximum pay rates in each pay grade. Employer-paid benefit changes include a 5.5% increase for PERSI's regular retirement rates, due to the Board's decision to increase contribution rates from 11.32% to 11.94%. The employee-paid rates are also increasing 5.5%, from 6.79% to 7.14%.

### Governor's Recommendation:

- 3% CEC
- Reduce Appropriation for Health Insurance, while Maintaining the Same Benefit Package, By Utilizing All Allowable Reserve Funding
- 2% Shift of the Salary Structure
- Maintain Current Payline Exceptions





# Budget Book Page 25

## Change in Employee Compensation (CEC) Twenty-Year Historical Comparison

Fiscal Year	Orig Gen Fund	% Change	DHR Rec*	Agency CEC	Judges CEC	CPI %
1999	\$ 1,610,815,500	11.9%	7.7%	5.0%	5.0%	2.0%
2000	\$ 1,674,713,100	4.0%	14.0%	3.0%	4.0%	3.7%
2001	\$ 1,804,038,100	7.7%	0.0%	3.5%	3.5%	3.3%
2002	\$ 2,044,295,100	13.3%	0.0%	4.5%	4.5%	1.1%
2003	\$ 1,967,895,400	-3.7%	0.0%	0.0%	0.0%	2.1%
2004	\$ 2,004,053,000	1.8%	1.0%	0.0%	0.0%	3.3%
2005	\$ 2,082,138,300	3.9%	6.8%	3.0%	2.0%	2.5%
2006	\$ 2,180,928,300	4.7%	6.7%	1.0%	1.0%	4.3%
2007	\$ 2,593,723,500	18.9%	5.8%	3.0%	6.0%	2.7%
2008	\$ 2,820,674,400	8.8%	5.8%	5.0%	5.0%	5.0%
2009	\$ 2,959,283,400	4.9%	5.0%	3.0%	3.0%	-1.4%
2010	\$ 2,506,580,100	-15.3%	5.0%	-5.0%	0.0%	1.1%
2011	\$ 2,383,836,000	-4.9%	3.0%	0.0%	0.0%	3.6%
2012	\$ 2,528,960,600	6.1%	3.0%	0.0%	0.0%	1.7%
2013	\$ 2,702,105,700	6.8%	3.0%	2.0%	2.0%	1.8%
2014	\$ 2,781,023,800	2.9%	0.0%	0.0%	0.0%	2.1%
2015	\$ 2,936,096,600	5.6%	2.0%	2.0%	10.7%	0.1%
2016	\$ 3,071,860,500	4.6%	3.0%	3.0%	3.7%	1.0%
2017	\$ 3,272,991,000	6.5%	3.0%	3.0%	3.7%	1.6%
2018	\$ 3,450,575,300	5.4%	3.0%	3.0%	3.9%	2.9%
2019	\$ 3,652,724,800	5.9%	3.0%	3.0%	3.0%	NA
<b>Average Change***</b>		<b>4.40%</b>	<b>3.66%</b>	<b>1.85%</b>	<b>2.80%</b>	<b>2.23%</b>

\* CEC rec. from the Personnel Commission (prior to FY 2001) or Div. of Human Resources (§67-5309C, Idaho Code).



# Budget Book Pages 26 & 27

## Employer Contributions to Employee Benefit Costs, Including Health Insurance and Variable Benefits

### FY 2020 Variable Benefits as a % of Gross Salary:

FICA - Social Security	6.20%
FICA - Medicare	1.45%
Unemployment Insurance	0.13%
Life Insurance	0.72%
Regular Retirement Rate (higher rates for police/fireman)	11.94%
Unused Sick Leave Benefit	0.65%
DHR Fee (agencies with classified employees; Gov's Rec is 0.275%)	0.55%
Average Workers' Compensation Rate (rates vary by agency)	0.96%
<b>Total Variable Benefits</b>	<b>22.60%</b>



# Budget Book Pages 26 & 27

## Employer Contributions to Employee Benefit Costs, Including Health Insurance and Variable Benefits

Employer-Paid Health Insurance per Eligible Employee			
	FY 2019 Appropriation	FY 2020 Gov's Rec and OGI Actuarial Estimate	FY 2021 Projection
Health Insurance (medical, dental)	\$12,328	\$13,770	\$14,600
Retiree Subsidy	\$139	\$129	\$121
Health Insurance Continuation Premium	\$55	\$59	\$63
Administrative Costs	\$42	\$43	\$44
Proposed Use of "Sweep" Funding	(\$809)	(\$860)	(\$978)
Proposed Use of Reserve Funding	(\$105)	(\$2,121)	\$0
<b>Annual Appropriation</b>	<b>\$11,650</b>	<b>\$11,020</b>	<b>\$13,850</b>
<b>New General Fund Approp</b>	<b>\$0</b>	<b>(\$6,267,200)</b>	<b>\$26,613,300</b>
<b>Total General Fund in the Base</b>	<b>\$108,170,300</b>	<b>\$101,903,100</b>	<b>\$128,516,400</b>





# Insurance Reserve Funding Projections

- Office of Group Insurance/ Gov's Rec Appropriation at \$11,020/FTP
  - Approx \$33 million Reserve Fund Balance
- Maintenance Appropriation at \$11,650/FTP
  - Approx \$46 million Reserve Fund Balance
- Actuarially Recommended Appropriation at \$11,817/FTP
  - Approx \$49 million Reserve Fund Balance
- Federally Allowable Reserve Appropriation at \$12,020/FTP
  - Approx \$53 million Reserve Fund Balance
- Actuarially Recommended Self-Insured Plan Transition Funding Appropriation at \$13,020/FTP
  - Approx \$74 million Reserve Fund Balance



# FTP Authorization in Appropriation Bills

13       SECTION 2. There is hereby appropriated to the Idaho Commission for  
14 Libraries, the following amounts to be expended for the designated expense  
15 classes, from the listed funds for the period July 1, 2014, through June 30,  
16 2015:

	FOR	FOR	FOR	FOR	
	PERSONNEL	OPERATING	CAPITAL	TRUSTEE AND	
	COSTS	EXPENDITURES	OUTLAY	BENEFIT	
				PAYMENTS	TOTAL
21 FROM:					
22 General					
23 Fund	\$1,802,000	\$1,482,700	\$26,000	\$200,000	\$3,510,700
24 Miscellaneous Revenue					
25 Fund		23,400	25,000	26,000	74,400
26 Federal Grant					
27 Fund	<u>569,700</u>	<u>916,500</u>	<u>25,000</u>	<u>60,000</u>	<u>1,571,200</u>
28 TOTAL	\$2,371,700	\$2,422,600	\$76,000	\$286,000	\$5,156,300

29       SECTION 3. FTP AUTHORIZATION. In accordance with Section 67-3519,  
30 Idaho Code, the Idaho Commission for Libraries is authorized no more than  
31 thirty-nine and fifty-hundredths (39.50) full-time equivalent positions  
32 at any point during the period July 1, 2014, through June 30, 2015, unless  
33 specifically authorized by the Governor. The Joint Finance-Appropriations  
34 Committee will be notified promptly of any increased positions so autho-  
35 rized.



# Questions?

